

# 8-13-80 #3 Robert A. Beck Cont.

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## SUMMARY KEYWORDS

newark, city, prudential, place, problem, buildings, refurbish, mass transportation, homes, work, square feet, hotel, area, occupancy rate, progress, revenue sharing, sound, give, street, contributions

## SPEAKERS

Gordon Bishop, Robert A Beck

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00:00

This is Sound roll three sound roll three TMP productions Newark documentary 18th August 1980. And sound 10 Coming up



Gordon Bishop 00:15

Arrow four, sound 10. Mr. Beck, Newark is a collection of neighborhoods, which are a collection of homes and families. How are we doing on the refurbishment or the leveling of blocks that are incapable of being rehabbed, rehabilitated? You have any any specific reference specific specific references as to how Newark is coming along? Block by block neighborhood by neighborhood? We mentioned that they're tearing down 50 homes a day or a week or?



Robert A Beck 00:55

Yeah, that's nowthat's, that's a tough question to generalize with. Since 1976, or 77, we've been taking down in the city an average of about 50 buildings a month, you know, in taking them right down on the ground. And I'm impressed that when this is done, one building here on one building there, that the neighbors then on that street believe that you can do something to make make the street look better. You know, as long as you've got a real eyesore where the kids can hang out or drug addicts can hang out or, you know, derelicts can linger around. It makes it pretty tough for anybody in that neighborhood to believe that they should do too much to try and make their home look better. But when these buildings are taken out, you can just see, so often, that the people on the rest of that street, you know, are getting to work and clean the place up and doing some painting and making it look better. And I'm impressed. I think, you know, it's just another encouraging sign another movement in the right direction.



Gordon Bishop 02:06

What do you think Newark's worst problem is now? Is it, Is it a people problem in terms of

ethnic, is it a financial problem? Is it one of morale? Can you can you put your finger on the nub of the problem? Or is it a a series of interrelated problems?

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Robert A Beck 02:26

Yeah, well, if you talk about the problems for a city like Newark, let me start with what I perceive, personally to be the most serious. I think part of it is still our image and the reputation from the past. Part of it stems from the fact that we don't give it the best press. We generally the press and the business people in government. Frankly, I think the mayor is in a little bit of a jam. You know, he has told the story for so long, that wherever the cities of the United States will go, Newark, will get there first. And he's been doing this in order to get sources of federal funds to help solve some of the problems. Well, those funds have been coming in, they have been helping solve some of the problems. can't brag too much now about the progress that's been made, or those funds will dry up. I think that is a mi- is a small part of the problem. I think most people, even those who live here and work here, don't know how much progress has been made. If you live and work, you just tend to see it, so constantly, that you really are unaware of the progress that has taken place. I think there's a problem, of course in housing, our housing stock is down. A lot of housing has been taken over by the city as the property has been abandoned. We've removed some of the worst of the buildings some but not all. We need to do a lot more to refurbish some very good basic properties. And in this area around the university we're working with, with Aspen, as a joint venture

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Gordon Bishop 04:09

with the James Street Commons.

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Robert A Beck 04:10

Well, no, it's it's not James Street. It's it. Well, James Street, though, could be a piece of it. But it's not our project. We're doing that through the Chamber of Commerce, and a whole group of companies have worked with the Chamber on that. And that, by the way, is working very well and the last of the last 11 homes that were made available for sale on James Street. Five of them were purchased by Prudential people. And maybe that indicates to some of our commitment to the city. We had nothing to do with it. But our people know that we're committed to Newark and we want to we want to stay here and plan to stay here. But in the area around the universities, the area we call the neighborhood of universities, a lot of old housing stock, that's basically very sound and we're working with Aspen to try and refurbish and improve this so that people can rent it. Some people perhaps ultimately can buy it. It hasn't made the progress that it should up to now, because with the economic circumstances of today, a lot of federal funds have been slowed up, you need this kind of subsidized support from the feds in order to really get these kinds of projects off the ground. And there are an enormous number of agencies, federal, state municipal agencies that are engaged in it, that it is moving along and we're confident that this is going to bear some very good fruit, we've received assurances from the mayor that, that he'll work to improve the amenities in the immediate area where these homes are being redone. And as this work takes place, I think it's going to be an encouraging sign to people to want to move back into Newark. And I think underlying all of this, there's a real interest in moving back anyway. Because people do want to

get to the city, the city cannot long term be a place just for the poor and the very old, it's got to have be of interest to the middle class and the young, if it's going to have the vitality that it needs to have. And I think Newark can have that. I think another problem that still is present, is the perception of education. And there are some serious educational problems. We've been working with this University High School complex, in an effort that's been designed to provide a special kind of educational resource for people who really want the best in education. People have worked on the committees, they've worked to raise funds for the facility, we've contributed funds, some of our departments have worked directly with, with the faculty, some of our people teach over there, we're encouraged at the progress that since this thing has been in being over 90% of the people who graduated from that school are, are in college or have graduated from college, which is a, which is a very different perception that that most people have about the kind of educational opportunity that can be present in a city like Newark. Now, that isn't true about all the schools, but this one school is there. And it's delivering this kind of result, and it is in the city of Newark.

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Gordon Bishop 07:18

when did University High School come into being? And who initiated it, If you know?

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Robert A Beck 07:22

I don't know.

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Gordon Bishop 07:23

It's been around in the 70s?

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Robert A Beck 07:25

Oh, yes, yes.

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Gordon Bishop 07:27

It's a commitment by the business community?

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Robert A Beck 07:29

Well, let's see this started in the Newark school system in the fall of 1969. And it's gotten a lot of support from the, from the business community, and, and government. And, and here, let me just read this short little statement. Special study conducted on the 1973 through 1978. graduating classes, revealed that 90.64% of the graduates, remember I said over 90% either had graduated from a post secondary educational student institution or were still attending school. That's not bad. Any school in the country would be proud of that kind of result.

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Gordon Bishop 08:20

Anything that you want to say about Newark as the home of Prudential that you've never mentioned publicly? Personal gut feelings or philosophical?

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Robert A Beck 08:34

Well let me try and give you another illustration of something that I think is very encouraging that has to do with office buildings in town. We've been involved in the Gateway Complex. And while that's our complex, involved in it from the start. And this is an impressive operation, you know, it's down near the Pennsylvania Railroad. Let me just read you this. "This complex consists of two office buildings now, which contain 1,400,000 square feet. It also includes a 245 room hotel, a 600 car garage and retail space." And this represents our largest single investment in Newark outside of our own buildings. Current book value exceeds \$51 million. The original developer when we started with this thing had trouble and financial trouble and also management trouble. And in late 1977, we took over the place we had been the mortgages, provided the mortgage money. We took over, the Prudential have managed it since that time. When we took over 100,000 square feet of office space was vacant, and the hotel's annual occupancy rate was only 45%. Then we, we did some refurbishing, we selected a new hotel operator Hilton and let me show you what's happened since then, we don't have one single square foot of office space available for rent. In fact, we have a waiting list at rental rates which exceed \$14 per square foot. The hotel is experiencing better than an 80% annual occupancy rate. And in the hotel business, that's an absolutely first class occupancy rate. You know, it's it's exceptional. Now, we believe that when the Penn Central Area is refurbished, which is not too far down the pipe, this is going to just give another shot in the arm to that whole section of the city. In fact, we're making studies right now to see whether or not we should expand our Gateway Complex. Let me give you a number a number that you might find interesting. Before we built this Gateway Area, you know, much is said about tax abatement and, and how little people are supposedly paying in taxes and all that sort of stuff, when and all the kind of breaks that supposedly are encouraging people to do something in the city. Before we built gateway, the city of Newark collected annual tax revenues of about \$51,000 year, 51,000. Last year, in real estate and parking taxes alone, Prudential paid approximately \$1,150,000. Somehow, I think that's pretty obvious that that kind of urban development is very worthwhile for the city, not only does it provide enormous revenues to the city, but building it created jobs in the first place. Having it there provide sources of places for people to work and places for people to rent, and, you know, in in every way, it's it turns out to be an advantage to all parties concerned. I think the city of Newark has an unusual advantage in its location, you know, with airport, water, and it's and with the Pennsylvania Railroad, Delaware and Lackawanna and the bus, buses around we have great opportunities to use mass transportation. I just came back from Texas. Cities like Houston and Dallas are in serious trouble right now. Because they have no mass transportation systems and their roads are clogged, buried, they're unable to move people. We have the mass transportation systems in place. Otherwise, you really don't need a car to get in and out of Newark.

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Gordon Bishop 12:34

No, you really don't, really don't.

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Robert A Beck 12:35

This is you know, it's just a shame, I don't want to try and go too far the other direction, I recognize the problems that are present. But we have so much more going for us than most people realize. And that's why we're here. It would cost us an enormous sum of money to leave. And we're a heck of a lot better off staying where we are where we have made commitments in the in the past. And we'll make commitments into the future, you know, as long as the city stays viable, and we think it's going to stay viable.

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Gordon Bishop 13:06

The business community obviously is committed with and behind Prudential on Newark's future. Do you think the state and federal government have done their fair share?

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Robert A Beck 13:17

Yeah, I think so. I really believe that there's been a substantive contribution by a lot of different organizations. I personally deplore a little bit the approaches we use, because it makes it very difficult to effectively manage. It really is a shame. There is no way of knowing how much money comes into the city, because it comes in to so many places, comes in off budget, doesn't, it isn't on the mayor's budget. He doesn't know how much comes in. And he's been trying to find it. You you're subject to some degree to the revenue sharing support from the federal government. Well, when the federal government looks to some place to cut down on its expenditures, it cuts down on some of the revenue sharing which which increases the problems that are are being faced by the municipal governments. But but overall, I think very sound and substantive contributions have been made by the Fed and by the federal government and the state.

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Gordon Bishop 14:25

You feel speaking, like as an environmentalist, do cities have to go through cycles like any other organism, they're there, seed, they grow, they mature and they kind of ebb?

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Robert A Beck 14:39

I think everything everything does, you know, its governments do. You go through peaks and valleys. There's a business cycle, you know, prosperity to recession, hopefully not not depression. Nothing, you go through periods where you get to the stage where there's too much where you have to have compensation. I think the cities, particularly the cities of the Northeast, have had to go through a very difficult readjustment period. Because a lot of what we were and did, needed to be put back in order. And, but, but I believe deep down inside, that whatever is important, whatever is really needed, solutions will always be found for it and the city is needed. Right. You know, this, I can't conceive, thinking of the dynamics of the demographics, what's happening to family life? What's, what's happening there in with education, what's happening in terms of the costs of energy and inflation. In my judgment, I

can't believe that the United States can exist without the major cities. And a city like Newark, located where it is, I think has advantages that most other cities do not. We regard it as one of our primary responsibilities. And, and not only do we work with all the with government and all the other business organizations, but we contribute, you know, probably 1,000,00, to \$1, 200,000 to operations. I'm not talking about investments, I'm just talking about contributions to charity, Civic and Community Affairs in this city every year, because we regard that as one of our responsibilities. I know you're in the forefront of that. Okay, we're still on soundtrack by the way. [background] How long have you known Newark? I hadn't really thought of that question a long time.

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Gordon Bishop 17:11

He's running out of film.

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Robert A Beck 17:12

Oh, I'm sorry. I beg your pardon. Okay.

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Gordon Bishop 17:16

How long have you worked in Newark?

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Robert A Beck 17:17

I started in Newark, first came to Newark in 1953, left in 1955. But came back in 63 stayed here until 66 came back in 67, I've been back ever since. So it's given me a chance to see Newark from several different perspectives. I'm also a student of history. So I read, you know, just about everything I could about the early origins of the Prudential here in the city and was deeply involved in the New Jersey Historical Society, which also gave me a chance to see more about the past of the city. And, and you know, very often you can get a very good feeling about where, where the future is going to be because of some of the elements that were significantly part of the past. And I think they're going to they're going to help us/

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Gordon Bishop 18:06

So from 1953 You came to Newark was it relatively healthy? From 1953 to 1980, you've seen the city practically make a complete cycle then financially-